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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

3 November 1981

MEMORANDUM FOR: Chairman, National Intelligence Council
 Vice Chairman, National Intelligence Council

FROM:

 Assistant NIO for Western Europe

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SUBJECT: Topics for Possible "Alternative" Estimates/Memoranda

1. ITALY: Problems for U.S. Policy in New Competition Between Christian Democrats and Socialists.

NFAC (as well as others -- The Economist, for example) considers it not unlikely that the PCI, despite its present lackluster appeal, might benefit from renewed attention soon from either the Italian Socialists or the DC, or both -- cooperation with the Communists being preferable to cooperation with one another. Memo would look at the implications of a reiteration of U.S. policy of "non-interference but non-indifference" under present circumstances.

2. U.S. - WESTERN EUROPE: Mansfieldism Revisited. *(local or assumed)* ✓

What impact can one expect in Western Europe if Europeans get the idea (correctly or incorrectly) that sentiment is growing in the U.S. for withdrawing, or threatening to withdraw, troops from Western Europe?

3. WESTERN EUROPE - POLAND: Effects of Persistent Stalemate in Polish Crisis. ✓

NFAC did a paper on European reactions to non-invasion by Soviets, but perhaps this needs to be reexamined. Do the dynamics change the longer the Soviets exercise "restraint"? What about the European ability and/or willingness to provide economic and financial assistance? Impact on LRTNF decisions and the "German question"?

4. WEST GERMANY: Psychological/Social/Political Impact of Economic Slowdown. ✓

Can one dismiss hand-wringing by Chancellor Schmidt over West Germany's economic situation as special pleading, or does the prospect of growing unemployment, continued recession -- even if mild in comparison with Germany's neighbors -- have unique significance for the Federal Republic? Is there a

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point at which fears of unemployment can overcome traditional German concern with inflation? Will economic anxieties add to or supplant the concerns of the "peace" movement?

5. EC - NATO: European Reactions to American Concern Over Political Cooperation Inroads on Alliance Consultations.

As the EC-10 forum increasingly takes on "security-related" issues, the U.S. shows signs of concern that consultations in the Alliance contact might be undercut. How might the Europeans react were the U.S. to escalate the expression of its concerns?



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